With a quorum present, Chairman Holloway called the meeting to order at 10:40 am.
APPROVAL OF MINUTES FROM THE MARCH 14, 2013 SPECIAL MEETING

The minutes of the March 14, 2013 special meeting were unanimously approved, as written. Items were discussed out of agenda order.

USE OF RESERVES TO SUPPORT THE COST OF THE MAGUIRE ASSOCIATES ENROLLMENT STUDY

Chairman Holloway turned to CFO Bowes for explanation. Bowes provided background on the project, which began in September of 2012. He further explained that use of reserve fund balances over $250,000 requires BOR approval. Discussion followed on timing and decision-making process for funding the study. Regents expressed concern and stressed the need for an in-depth enrollment study.

The use of up to $285,000 in university reserves and up to $735,000 of community college reserves was unanimously approved on a motion by Regent Balducci, seconded by Regent Fleury.

REVIEW OF THIRD QUARTER REVENUE AND EXPENDITURE REPORT FOR FY13

Chairman Holloway turned to CFO Bowes for explanation. Bowes explained the reports, as presented, are actual revenues and projections through fiscal year-end and as compared to the approved budget. Overall revenue for ConnSCU is up $4.8 million (0.4%), from the original budgeted $1.4 billion. This is largely due to increased government and private grants and contracts, resulting in a lower overall deficit projection for the system through the end of the fiscal year as compared to the projections for the second quarter.

Connecticut State University
Bowes reported that overall, the state universities show a net deficit of $680,546, most of which is attributed to recently-filled system office positions which had been erroneously charged to the university portion of the BOR budget. These positions will be transferred to the community college portion of the budget before fiscal year-end, which will eliminate most of the deficit.

Connecticut Community Colleges
Bowes explained that on a consolidated basis, the community colleges (grants excluded) are showing a total deficit of $5 million across the system. This is predominantly due to increased part-time positions and overtime. He suggested the need to revisit the budget allocation model, an extension of the current hiring freeze and the possibility of implementing shared services.
INTERDISTRICT MAGNET SCHOOL AT THREE RIVERS COMMUNITY COLLEGE

CFO Bowes explained the action before the Committee today was a ratification of certain actions taken by Three Rivers Community College and gave background on what has transpired to date. He further explained that the action today seeks approval to act “on behalf of” TRCC in accessing grant program funds for costs of operation and transportation. He introduced President Jones, Dean Lopez and LEARN Executive Director Eileen Howely.

President Jones provided an overview of the middle college, explaining its mission, purpose and partnership with LEARN. Dean Lopez outlined the responsibilities for both TRCC and LEARN. There is no associated cost to the BOR; LEARN acts as the fiscal agent. TRCC expects its middle school class size to double from 30 to 60 students next year, with 3 out of 10 students expressing interest in attending TRCC after graduation.

Approved unanimously: 1) Ratification of TRCC’s actions seeking and receiving approval from the State Board of Education to open an interdistrict magnet school at TRCC; 2) Approval to act “on behalf of” TRCC in accessing grant program funds for costs of operation and transportation. Motion: Balducci; Second: Fleury.

USE OF INSURANCE CLAIM FUND AND CSUS 2020 CODE COMPLIANCE/INFRASTRUCTURE IMPROVEMENT FUNDS FOR BULEY LIBRARY PHASE II AT SOUTHERN CONNECTICUT STATE UNIVERSITY

Chairman Holloway turned to VP Clark for explanation. She described the Buley Library project as a two-phase project which began in 2004. The first phase was the construction of a 134,000 square foot addition, completed in 2008. Phase 2 involves the renovation of the existing library space. A total of $83.5 million in bond funds was authorized for the two-phase project. Approximately $25.7 million remained after the construction of Phase 1 to begin the Phase 2 renovation project. The scope of work for this phase includes a new building envelope and atrium link that will connect the existing space to the new addition at the upper levels, as well as renovations to the lower and main entrance levels. Renovations to the second, third and fourth floors will require additional funds and be addressed at a later date.

Mr. Epstein provided details on the project funding. The renovation project was advertised for bid in January 2013. Bids were received at the end of February. The low bid exceeded available funds by more than $6.8 million. Over the next three months, several trade packages were rebid to reduce cost. This resulted in a savings of $3.3 million, leaving a budget gap of about $3.5 million.

Part of this funding gap will be addressed by use of $1.37 million in telecommunication funds that were unspent in the first project phase. To close the remaining gap, staff recommend that $995,000 of insurance funds, received in settlement for claims resulting
from a 2006 flooding of the library, along with redirection of $1.05 million in uncommitted CSUS 2020 bond funds be used. In addition, the Department of Construction Services will cover a small amount ($88,500) to ensure the project is fully funded.

Board policy for the State Universities requires that “any use of current fund or plant fund balances must be approved by the President and, if the amount to be used is $250,000 or greater, by the Board”. Additionally, the board must approve a reallocation of uncommitted funds in accordance with the laws and policies governing the use of CSUS 2020 funds.

The Committee voted unanimously to approve the use of reserves up to $995,000 and the reallocation of $1.05 million in uncommitted CSUS 2020 funds to ensure the completion of the Buley Library renovation project. Motion: Balducci; Second: Fleury.

The meeting was adjourned at 12:00 p.m., on a motion by Regent Balducci, seconded by Regent Fleury.